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State of Arizona
Citizens Clean Elections Commission

1616 W. Adams - Suite 110 - Phoenix, Arizona 85007 - Tel (602) 364-3477 - Fax (602) 364-3487 - www.azcleanelections.gov

April 7, 2005

Dear Legislator,

The purpose of this letter is to inform you of the recently adjusted officeholder expense account limits. Pursuant to A.R.S. §16-959(A), the spending limits have been adjusted for inflation for the 2006 election cycle.

Pursuant to A.A.C. R2-20-104(F), elected officials may raise and spend money for officeholder-related expenses. This rule applies to both participating and nonparticipating candidates. The intent of this rule is to allow participating candidates to raise and spend money on office-related needs without running afoul of the limits on early contributions and personal money expenditures, and to allow nonparticipating candidates to make office-related expenditures without triggering matching funds for their opponents in the 2006 election.

In order to comply with this rule, an officeholder must establish a committee with the Secretary of State's office that is specifically designated for officeholder expenses. These committees are held to the same campaign finance reporting requirements as regular candidate committees. If you do not establish an officeholder expense committee with the Secretary of State's office, any expenditure that you make will be considered to be directly related to your 2006 campaign. If you plan on becoming a participating candidate, this may cause you to inadvertently exceed your 2006 election cycle early contribution limits. If you plan on running a privately funded campaign in 2006, this may cause you to inadvertently trigger matching funds for your opponent. Therefore, if you plan on making any officeholder-related expenses, please register your officeholder expense committee with the Secretary of State's office.

****As a legislative officeholder, your adjusted spending limit is \$5,960**.** The rule regarding the amount of money you may raise from individuals was changed by the Commission and went into effect on May 28, 2004. R2-20-104(F)(2)

| Individual Contribution Limits | |
|----------------------------------|---------------------------------|
| January 1, 2005 – March 14, 2005 | March 15, 2005 – April 30, 2006 |
| \$55 | \$60 |

As of March 15, 2005, you may raise this money by collecting **\$60 from individuals** or by providing your own personal money. There is no limit to personal money contributions as long as it, combined with any individual contributions, does not exceed the spending limit. You were able to begin raising and spending this money after January 1, 2005. If you were a privately

funded candidate during the 2004 election cycle, you may also transfer in surplus monies from other campaign accounts as long as those monies were originally from individuals, and as long as the transfer is limited to \$60 per individual contributor. R2-20-104(F)(1)

Prior to April 30, 2006, you may raise or spend money to defray the expense of performing officeholder duties, and the event or item purchased shall be completed or otherwise used and depleted prior to April 30, 2006. R2-20-104(F). Any expenditure made after April 30, 2006, will be considered to be a regular campaign expenditure. If there is money remaining in your officeholder expense-account after April 30, 2006, it shall be either remitted to the Commission or not spent for the remainder of the calendar year (this applies to all candidates).

[R2-20-104(F)(6)(c)]

The money in the officeholder expense account **cannot** be used for direct campaign purposes* or in connection with the officeholder's future campaign for elective office! [R2-20-104(F)(7)]

Permissible uses of the money include:

- Expenditures for office equipment and supplies.
- Expenditures for work-related travel.
- Donations to tax-exempt charitable organizations.
- Expenditures to meet or communicate with constituents.

[R2-20-104(F)(8)]

The first report to be filed to indicate activity in this account will be the January 31, 2006 Original Campaign Finance Report.

Thank you for your consideration. If you have any questions regarding this rule, please feel free to contact the Commission at 602-364-3477.

Sincerely,



Autumn R. Southard
Voter Education Manager

*Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of a candidate. This does not include the candidate's personal appearance, support, or support of a candidate's family member. R2-20-201(6).